

## Message Text

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ORIGIN PM-05

INFO OCT-01 NEA-10 ISO-00 NSC-05 SP-02 SS-15 CIAE-00  
INR-07 NSAE-00 L-03 AID-05 IGA-02 OMB-01 EB-08  
/064 R

DRAFTED BY PM/SAS:DHESTER:RG  
APPROVED BY PM/SAS:HMCELROY  
NEA/AFN:JBISHOP  
DOD/DSAA:PSOMMER  
NEA/RA:WGROSS (INFO)  
TREASURY:CCROSSWHITE (PHONE)  
T:SLEDOGAR (INFO)  
-----092794 190231Z /73

P R 182139Z AUG 77  
FM SECSTATE WASHDC  
TO AMEMBASSY RABAT PRIORITY  
INFO SECDEF  
CINCEUR  
TREASURY

C O N F I D E N T I A L STATE 196993

E.O. 11652: GDS

TAGS: MASS, MO

SUBJECT: MOROCCO--FY 1977 FOREIGN MILITARY SALES LOAN  
AGREEMENT

1. PRESIDENT HAS SIGNED DETERMINATION WAIVING CEILING ON  
MILITARY AID TO AFRICAN COUNTRIES IN FY 1977. AUTHORIZA-  
TION TO RELEASE \$30 MILLION IN FY 1977 FMS FINANCING FOR  
MOROCCO HAS BEEN FORWARDED TO UNDER SECRETARY BENSON FOR  
SIGNATURE. FINANCING WILL BE PROVIDED FOR FINAL PAYMENTS  
TOTALING APPROXIMATELY \$11.4 MILLION ON SIX C-130H AIRCRAFT  
AND \$3.8 MILLION T-34C AIRCRAFT. APPROXIMATELY \$14.8  
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MILLION WILL BE USED TO INITIATE PROCUREMENT OF EITHER SIX  
CH-47 OR SIX CH-53 HELICOPTERS.

2. PROCEDURES AND TERMS OF LOAN AGREEMENT. LOAN OF \$30  
MILLION WILL BE REQUESTED FROM THE FEDERAL FINANCING BANK  
(FFB) WITH PRINCIPAL TO BE REPAID IN FIFTEEN SEMI-ANNUAL  
PAYMENTS OF \$2 MILLION EACH COMMENCING SEPTEMBER 10, 1978.

DISBURSEMENT PERIOD WILL END EIGHTEEN MONTHS AFTER SIGNATURE OF LOAN AGREEMENT. DEPARTMENT OF DEFENSE WILL GUARANTEE LOAN FOR WHICH GOM WILL PAY GUARANTY FEE OF \$75,000 FROM ITS OWN RESOURCES. OTHER TERMS OF LOAN WILL BE DETERMINED BY FFB.

3. WE WILL INFORM YOU AND LOCAL MOROCCAN EMBASSY WHEN LOAN AGREEMENT IS READY FOR SIGNATURE IN WASHINGTON. AT THAT TIME GOM MUST PROVIDE FOLLOWING:

A. GUARANTY FEE OF \$75,000 IN FORM OF CHECK FOR THAT AMOUNT MADE PAYABLE TO "TREASURY OF THE UNITED STATES".

B. COPY OF AUTHORIZATION BY GOM TO ITS REPRESENTATIVE (PRESUMABLY AMBASSADOR BENJ) TO SIGN LOAN AGREEMENT. IN ADDITION, BEFORE FUNDS MAY BE DISBURSED, SIMILAR WRITTEN AUTHORIZATIONS ARE REQUIRED FOR PERSON(S) TO SIGN ON BEHALF OF MOROCCO (1) PROMISSORY NOTE AND (2) OTHER DOCUMENTS CONTEMPLATED BY LOAN AGREEMENT SUCH AS REQUESTS FOR ADVANCES OF FUNDS.

4. THESE THREE AUTHORIZATIONS REPLACE PREVIOUS REQUIREMENT FOR LEGAL OPINION FROM FOREIGN GOVERNMENT RECEIVING FMS FINANCING. SPECIFIC AUTHORIZATIONS MAY BE PROVIDED IN SINGLE DOCUMENT OR IN SEPARATE DOCUMENTS. THEY MAY BE IN ANY WRITTEN FORM INCLUDING CABLED INSTRUCTIONS TO GOM  
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WASHINGTON EMBASSY, PROVIDING AUTHORIZATIONS ARE IN ENGLISH OR IN OFFICIAL ENGLISH TRANSLATION.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY AGREEMENTS, MILITARY SALES, LOAN AGREEMENTS  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE196993  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DHESTER:RG  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Review Release Event:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009